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Stephanie Kost

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From: david.r.goldberg [david.r.goldberg@verizon.net]

Sent:

Saturday, December 06, 2003 8:42 PM

Federal Commission Frederic C

Subject: Cell Phone Portability

Dear Mr Powell.

To:

I am writing to express to you my congratulations to you and the commission for doing the right thing for American consumers by forcing the cell phone companies to allow telephone number portability. If successfully implemented, this form of marketplace liquidity will quickly reward the service providers who provide the best combination of service quality and price, while forcing poor providers to improve. With a higher quality more rapidly evolving communications infrastructure our entire economy could benefit from this move.

The devil is in the details. As a long time disappointed Sprint customer whose only reason for keeping Sprint as my service provider, I anxiously awaited the time I could go to the store and ask for a new phone and keep my old number. Today, I tried to do just that. I went in to Radio Shack expecting to transfer my service to Verizon and to have two weeks to try the service. The plan was to try Verizon and if their service was not better in my community, to switch back to Sprint or possibly try another provider. I was more than a little disappointed by the experience.

My first set of questions was about my phone number. The salesman told me that I could transfer my number to Verizon, but if I was not happy at the end of the two week trial period they could not switch me back to Sprint without my signing a new two year contact with Sprint. This really was disappointing as it would essentially force me to make an additional two year commitment to Sprint just for trying another service provider. But it was worse than that, he also told me that I might not be able to get my number back should I cancel the Verizon plan.

A little annoyed, but determined, I continued to ask questions. I asked what it would take to make the transfer. He told me that I would give him my number and he would call Sprint and begin the number transfer. This would take one week. They would activate my new Verizon phone and I could send outgoing calls on the Verizon phone and receive incoming calls on the Sprint phone until the transfer was completed. During this time I would have to carry two phones for service and I would not have access to my voicemail at all. The two week trial period would begin at the beginning of this one week transfer period, so I would only have one week to make incoming and outgoing calls on the Verizon phone.

At this point, much to my surprise, this actually continued to get worse. I started to ask about pricing. I asked if I could have a list of per minute pricing for international calling. I was told that Verizon did not have such a list for its retailers and that I would have to call Verizon customer service to get pricing. Without a list in writing, I would guarantee or recourse if the per minute price I was quoted on the phone would correspond to what

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showed up on my bill. Finally, the salesman told me that during the two week trial period, I would not be able to make international calls anyway because international calling required a two week credit check before activation. As a consequence, I would not be able to evaluate the quality of service for international calls during the trial period at all.

You may recall that after the Telecommunications reform act the phone companies cried fowl about being forced to sell service to DSL providers at below market cost, while simultaneously making it impossible for the DSL providers to get access to their lines. Now the cell phone companies appear to have copied that playbook and are clearly attempting to apply it on a grand scale to American consumers. They are spending millions advertising about keeping your number, while simultaneously making the practical cost of switching to be enormous.

Your office has the ability to fix this with the following regulatory changes:

- 1. Require the cell phone providers to make the switch in 24 hours.
- 2. Require them let you keep your old number if you try a new provider and comeback.
- 3. Force contracts to be temporarily suspended without penalty when trying a new service provider.
- 4. Decree that the two week trial period not begin until all services are fully activated (incoming calls, outgoing calls, voicemail, text-messaging, international calling, etc.)

Without these types of changes being enacted, I am afraid that the cellular communications marketplace will never achieve the liquidity required for an efficient marketplace. The quality of service will continue to be poor and our national communications infrastructure will fall further behind the global marketplace. As communications is a key cost of many businesses, our entire economy will take a hit without these regulations.

The lobbyists will tell you that doing this sort of thing will increase churn and result in higher costs. Don't fall for that type of thinking. In this case, churn is just another word for liquidity. Its a good thing. You wouldn't buy stocks in a market that made it almost impossible to trade, and you probably wouldn't think too well of that market place either. The cost of churn and the service upgrades required to reduce churn should be considered a cost of them participating in this marketplace. Finally, it would be impossible for these costs to put any legitimate service provider out of business. All of the big players in this marketplace have multi-billion dollar advertising budgets that could easily be directed towards improving quality of service rather than bragging about their quality of service. Imagine what a great country this would be if you could have phone that works everywhere and never have to listen to commercials about it.

Please consider, and more importantly act on these proposals. If you would like to discuss this further, please call or write.

Thank you,
David Ross Goldberg
(310)540-0307 (home - because Sprint does not work in my home)

(310)704-2928 (Sprint cell, because I did not want to carry two phones only to lose my number when Verizon did not work either.)
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